Risk of Product Technology Change in Competitive Markets, The Case of Lubricant Industry in Sri Lanka

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I certify that this dissertation does not incorporate without acknowledgment any material previously submitted for degree or diploma awarded by institute of learning and to the best of my knowledge and belief it does not contain any material previously published by another person except where due reference is made in the text.

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EXECUTIVE SUMMARY

With liberalization of lubricant industry to act market forces and to stabilize it by allowing more than one player to dominate the market where pricing, customer service, availability and the related technology to come in. It is obvious one could try to penetrate and grab the opportunities with their strengths. Capabilities such as manufacturing facilities in local, technological solutions, global support & experience, ability to deliver bulk quantities and short lead time would enhance the position of the market. There are not many players who do lubricants business in Sri Lanka. Most of them are multinational companies' local subsidiaries and represent their global position here.

As it is sensitive of discussing influential factors in depth, some of the details in influential factos would not be discussed. But most of the past successes and failure which are common to the whole organizations would be discussed.

Lubricant industry also started independent research parallel to other petroleum studies on technological improvements which were needed to improve performances of the lubrication. Since then, lubricant industry has been converting to technology driven industry to gain competitive advantage over one another organizations.

Basically it followed the inductive research methodology and qualitative information analysis method. First factors affects the product technology transfer would be identified by literature survey and by interviewing the professionals in the field. Supplementary factors which Influence of changing product technology will be identified at the expert knowledge areas such as marketing, technology solutions, and operations. The influential factors which govern by economic, social and political are of literature review in public bodies.

Literature survey and case development of expert knowledge reveals the success depend not only criticality of the factor but also occurrence of it. Therefore, selection of entire population is two dimensional where criticality and its occurrence are the two dimensions.

Based on the secondary findings which deducted from entire population of factors, final frame works/model of conclusion of the behavior was rather remote of conventional quantitative models such as ROCE, NPV, IRR and etc. mainly its qualitative nature of the results. In addition its behavior in multidimensional. So that most appropriate frame to analyze the results were priority matrices or weighted score methods. Its multidimensional nature improves the accuracy of the final conclusion to a higher degree.

The findings have been concluded by recommending further studies where the accuracy of final conclusion can be further refined using weighted score method. Based on weighted score method one could elaborate the conclusion which would elevate the accuracy of final conclusion.

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LIST OF ACRONYMS

CPC	Ceylon Petroleum Corporation
OEM	Original Equipment Manufacturer
CSF	Critical Success Factors
CEA	Central Environmental Authority
NEA	National Environmental Act
API	American Petroleum Institute
IOC	Indian Oil Corporation
BP	British Petroleum
US	United States
LPG	Liquefied Petroleum Gas
IMF	International Monetary Fund
ADB	Asian Development Bank